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DEPARTMENT OF TRANSPORTATION

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GREGORY J. ROSINE, DIRECTOR

January 31, 2001

The Honorable Philip E. Hoffman, Chair
Appropriations Subcommittee on
Transportation
Michigan State Senate
P.O. Box 30036
Lansing, Michigan 48909

The Honorable Scott Shackleton, Chair
Appropriations Subcommittee on
Transportation
Michigan House of Representatives
P.O. Box 30014
Lansing, Michigan 48909

Dear Senator Hoffman and Representative Shackleton:

In accordance with Section 730 of Public Act 271 of 2000, enclosed is the Michigan Department of Transportation's report outlining the five year service history of rail passenger services, ridership and subsidies.

If you have any questions or comments regarding these reports, feel free to contact me or Philip Kazmierski, Deputy Director, Bureau of Urban and Public Transportation, at (517) 373-2282.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Rosine".

Gregory J. Rosine
Director

UPT:PK:TH:mjb

Enclosure

cc: Members of House and Senate Appropriations Subcommittee
B. Hayes
W. Niles
D. Novak
P. Kazmierski
T. Hoeffner
E. Timpf
L. Hostetler
J. Kraus
C. Thiel, Senate Fiscal Agency
W. Hamilton, House Fiscal Agency

State Supported Rail Passenger Service Report
December 28, 2000
As Required by PA 271 of 2000, Section 730 (2)

The purpose of this report is to provide a five year ridership and subsidy history on the state supported Grand Rapids-Chicago and Port Huron-Chicago Amtrak services. This summary includes the Department's efforts to promote public awareness of these services and to increase ridership and decrease the state operating subsidy.

The following is a ridership and operating subsidy for Fiscal Year 1996 to 2000:

Year	International		Ridership	Pere Marquette
	Ridership	Subsidy (1)		Subsidy (1)
1996	109,436	\$1,010,000	52,210	\$ 687,500
1997	121,528	\$1,162,500	63,386	\$ 687,500
1998	114,732	\$1,300,000	64,503	\$ 750,000
1999	113,702	\$1,300,000	68,091	\$ 750,000
2000*	107,878	\$1,300,000	63,002	\$ 750,000

* An additional \$250,000.00 was contracted in FY2000 to market the Michigan services in FY2001.

(1) The subsidy for each service is prorated from the total subsidy provided to Amtrak.

On December 19, 2000 the Department received Amtrak's preliminary ridership and ticket revenue estimates for Fiscal Years (FY) 2001 through 2004. However, Amtrak is not comfortable projecting their future operating expenses. Amtrak suggested the Department use an inflation factor. Also, Amtrak's projections did not provide for food and beverage revenue. Therefore, the Department is unable to provide an estimate of the operating subsidy for FY 2001 to 2004 at this time. The Department and Amtrak are continuing to work together to develop these estimates. Once Amtrak has provided the necessary information, the Department will provide an updated document to you. We apologize for the inconvenience.

Since 1996, the Department has worked with the southwest Michigan communities to promote, market and advertise the Grand Rapids-Chicago service. The community leaders, including transit agencies, planning agencies and chambers of commerce have organized themselves into an organization know as Westrain Collaborative. They have worked effectively to promote the Grand Rapids-Chicago service locally in cooperation with Amtrak. The Department is working with Amtrak to start meeting with the community leaders on the Port Huron-Chicago and Chicago-Detroit-Pontiac services with hope that the communities along these routes will come together to create similar organizations. The development of such organizations along these routes will be more complex due to the overlapping of these services between Battle Creek and Chicago.